

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 7, 2022

S.C.C.-CLERK'S OFFICE
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APPLICATION OF

ROANOKE GAS COMPANY

CASE NO. PUR-2022-00086

For approval to implement a
2023 SAVE Projected Factor Rate
and True-Up Factor Rate

ORDER FOR NOTICE AND COMMENT

On May 26, 2022, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), the Steps to Advance Virginia's Energy Plan (SAVE) Act, and in accordance with the Commission's Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030,¹ as modified in subsequent SAVE cases.² The Company seeks approval to implement a 2023 SAVE Projected Factor Rate and a True-Up Factor Rate (collectively, "SAVE Rider Rates").³ Roanoke Gas further seeks approval to implement the associated SAVE Rider Rates effective for the period of October 1, 2022, through September 30, 2023.⁴ The Company represents that it is not proposing any amendments or modifications to its SAVE Plan through this Application.⁵

¹ *Application of Roanoke Gas Company, For approval of a SAVE Plan and Rider pursuant to Virginia Code §§ 56-603 et seq.*, Case No. PUE-2012-00030, 2012 S.C.C. Ann. Rept. 422, Order Approving SAVE Plan and Rider (Aug. 28, 2012) ("2012 SAVE Order").

² Application at 1-4.

³ *Id.* at 1.

⁴ *Id.* at 5.

⁵ *Id.* at 3.

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The Application includes a summary of the results of the 2021 actual investment and revenue for the SAVE-qualifying projects completed for the period of October 1, 2020, through September 30, 2021.⁶ The Company represents that a True-Up Factor revenue requirement and associated rates have been calculated to true-up any difference in the revenues collected through the 2021 SAVE Rider and the actual costs of implementing the 2021 SAVE projects pursuant to Code § 56-604 E.⁷

Further, Roanoke Gas provides documents and workpapers supporting the 2023 SAVE Projected Factor revenue requirement and rates.⁸ The Company represents that the 2023 Projected Factor is designed to recover the costs, as defined by Code § 56-603, of eligible infrastructure replacement projects that will occur during the period of October 1, 2022, through September 30, 2023.⁹ Roanoke Gas further represents that the 2023 renewal projects were approved in the original 2012 SAVE Order or in subsequent amendments to the Company's SAVE Plan.¹⁰

According to the documents and workpapers submitted by the Company, Roanoke Gas calculates the 2023 Projected Factor revenue requirement to be \$4,090,909¹¹ and the 2023 True-Up Factor revenue requirement to be \$88,042¹² for a combined 2023 SAVE Plan revenue

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.* at Schedules 1 and 10.

¹² *Id.* at Schedules 1 and 2.

requirement of \$4,178,951.¹³ As proposed, the combined 2023 SAVE Rider Rate for residential customers will be \$4.84 per month,¹⁴ an increase of \$0.51 over the current rate of \$4.33 for such customers.¹⁵

NOW THE COMMISSION, upon consideration of the Company's Application, is of the opinion and finds that this matter should be docketed; that Roanoke Gas should provide public notice of its Application; that any interested parties should be afforded an opportunity to file comments or request a hearing on the Application; and that the Staff of the Commission ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations ("Staff Report").

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.¹⁶ Consistent with these actions, in regard to the terms of the procedural framework established

¹³ *Id.* at Schedule 1.

¹⁴ *Id.* at Schedule 17.

¹⁵ *Application of Roanoke Gas Company, For modification of its SAVE Plan and Rider and to implement a 2021 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2021-00120, Doc. Con. Cen. No. 210910058, Tariff filing with supporting workpapers (Sept. 1, 2021).

¹⁶ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the proposed Application, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact all utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

- (1) The matter is docketed and assigned Case No. PUR-2022-00086.
- (2) All pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁷ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁸

¹⁷ 5 VAC 5-20-10 *et seq.*

¹⁸ As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 health issues.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(5) On or before June 27, 2022, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ROANOKE GAS COMPANY
FOR APPROVAL TO IMPLEMENT
A 2023 SAVE PROJECTED FACTOR RATE
AND TRUE-UP FACTOR RATE
CASE NO. PUR-2022-00086

On May 26, 2022, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), the Steps to Advance Virginia's Energy Plan (SAVE) Act, and in accordance with the Commission's Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030, as modified in subsequent SAVE cases. The Company seeks approval to implement a 2023 SAVE Projected Factor Rate and a True-Up Factor Rate (collectively, "SAVE Rider Rates"). Roanoke Gas further seeks approval to implement the associated SAVE Rider Rates effective for the period of

October 1, 2022, through September 30, 2023. The Company represents that it is not proposing any amendments or modifications to its SAVE Plan through this Application.

The Application includes a summary of the results of the 2021 actual investment and revenue for the SAVE-qualifying projects completed for the period of October 1, 2020, through September 30, 2021. The Company represents that a True-Up Factor revenue requirement and associated rates have been calculated to true-up any difference in the revenues collected through the 2021 SAVE Rider and the actual costs of implementing the 2021 SAVE projects pursuant to Code § 56-604 E.

Further, Roanoke Gas provides documents and workpapers supporting the 2023 SAVE Projected Factor revenue requirement and rates. The Company represents that the 2023 Projected Factor is designed to recover the costs, as defined by Code § 56-603, of eligible infrastructure replacement projects that will occur during the period of October 1, 2022, through September 30, 2023. Roanoke Gas further represents that the 2023 renewal projects were approved in the original 2012 SAVE Order or in subsequent amendments to the Company's SAVE Plan.

According to the documents and workpapers submitted by the Company, Roanoke Gas calculates the 2023 Projected Factor revenue requirement to be \$4,090,909 and the 2023 True Up Factor revenue requirement to be \$88,042 for a combined 2023 SAVE Plan revenue requirement of \$4,178,951. As proposed, the combined 2023 SAVE Rider Rate for residential customers will be \$4.84 per month, an increase of \$0.51 over the current rate of \$4.33 for such customers.

Further details are set forth in the Company's Application and supporting exhibits, and interested persons are encouraged to review these documents. While the total revenue requirement that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to

provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

Electronic copies of the Application and other supporting documents may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, or TBiller@HuntonAK.com and RitterJ@HuntonAK.com.

On or before July 13, 2022, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00086.

On or before July 13, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to

file electronically may file a notice of participation by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00086.

On or before July 13, 2022, any interested person or entity may file a request for a hearing on the Application with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. A copy of the request for hearing also must be sent to counsel for the Company. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2022-00086.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at: scc.virginia.gov/pages/Case-Information.

ROANOKE GAS COMPANY

(6) On or before June 27, 2022, Roanoke Gas shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position

exists, in each county, city, and town in which Roanoke Gas provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(7) On or before July 13, 2022, Roanoke Gas shall file proof of the notice and service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, or TBiller@HuntonAK.com and RitterJ@HuntonAK.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before July 13, 2022, any interested person or entity may submit comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00086.

(10) On or before July 13, 2022, any interested person or entity may file a request for a hearing with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of

the Commission at the address listed in Ordering Paragraph (9). Such request for hearing shall include the email addresses of such parties or their counsel, if available. A copy of such request for hearing shall be simultaneously served on counsel to the Company. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2022-00086.

(11) On or before July 13, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a notice of participation by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (9). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00086.

(12) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent.

(13) The Staff shall investigate the Application. On or before July 22, 2022, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the same on counsel to the Company and all respondents.

(14) On or before July 29, 2022, Roanoke Gas may file with the Clerk of the Commission any response to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(15) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by this order, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(16) The Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹⁹ Except as so modified, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(17) This matter is continued.

¹⁹ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00086, in the appropriate box.

A COPY HEREOF shall be sent electronically by the Clerk of the Commission to:
Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP,
Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219,
TBiller@HuntonAK.com, and RitterJ@HuntonAK.com; and C. Meade Browder, Jr., Senior
Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General,
202 N. 9th Street, 8th Floor, Richmond, Virginia 23219, MBrowder@oag.state.va.us.